

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SEDALIA)	
WATER DISTRICT FOR AN)	
ADJUSTMENT OF RATES PURSUANT)	CASE NO. 2003-00325
TO THE ALTERNATIVE RATE FILING)	
PROCEDURE FOR SMALL UTILITIES)	

O R D E R

On September 12, 2003, Sedalia Water District ("Sedalia") filed its application for Commission approval of its proposed water rates. Sedalia proposed to increase its rates to produce additional revenues of \$8,471, an increase of 28.78 percent over normalized revenues of \$30,454. Sedalia's proposal, which included recovery of depreciation expense, would increase the average monthly bill for 5,000 gallons of usage from \$17.76 to \$21.50, an increase of 21.1 percent.

By Order dated October 14, 2003, the Commission issued a Staff Report that was prepared upon review of Sedalia's test-year operations. Staff's report recommended that the requested increase be granted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No such comments or requests were made.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$38,925.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by Sedalia on and after the date of this Order.

3. Within 30 days of the date of this Order, Sedalia shall file with the Commission its revised tariff setting out the rates approved herein.

4. Three years from the effective date of this Order, Sedalia shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 28th day of October, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00325 DATED October 28, 2003

The following rates and charges are prescribed for the customers in the area served by Sedalia Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000	gallons	\$12.14 Minimum bill
Next	8,000	gallons	3.12 per 1,000 Gallons
Over	10,000	gallons	2.29 per 1,000 Gallons